



State Board of Equalization

News Release

George Runner, Member

2nd District – Lancaster

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Board of Equalization Sets Values for Utility Properties for 2011

Senator George Runner, Second District Member of the California State Board of Equalization (BOE), today announced that the Board established unitary values of privately owned public utilities and railroads in California at \$85.5 billion. Local governments will collect an estimated \$947.3 million in revenue (including penalties) over the next fiscal year based on these values. The values were set at today's Board Meeting in Sacramento.

Total values were up \$5.1 billion over those adopted by the Board last year, and will generate approximately \$63.5 million more in taxes for local governments than in the current fiscal year.

Values were set for 413 companies with property in California. They include telephone (long distance, local, and wireless), gas and electric companies, railroads and inter-county pipelines.

While most properties are assessed by county officials, privately-held public utilities are assessed by the BOE statewide. These properties are not subject to Proposition 13 and are reappraised annually at their market value.

A "unitary value" includes improvements, personal property, and land. A unitary valuation applies to properties owned or used by public utilities and railroads and considered necessary to their operation.

The BOE determines the fair market value as of January 1st of each year by considering market conditions, use of the property, income generated by the property, replacement costs, and investments in the property, regulatory climate, depreciation, and other factors.

The values set by the BOE are used by county governments to levy local property taxes, which help support county governments, cities, special districts, and schools. Penalties are assessed for late or incomplete filings or failure to file with the BOE.

For more information on the BOE's State Assessed Properties Program, visit:
www.boe.ca.gov/proptaxes/sappcont.htm.

Elected in November 2010, taxpayer advocate George Runner represents the Second District of the Board of Equalization. Runner was sworn in as Second District Board Member on January 3, 2011. Prior to his election to the Board, Runner served twelve years in the State Legislature. As a thoughtful conservative, his legislative priorities included improving the economy, business growth, education excellence, and public safety for all Californians. As a member of the Senate Revenue and Taxation Committee, Runner consistently led the fight against tax increases and supported tax relief for families and businesses.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$48 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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